LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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FISCAL IMPACT STATEMENT

LS 6266 NOTE PREPARED: Nov 19, 2002

BILL NUMBER: HB 1226 BILL AMENDED:

SUBJECT: Age of Majority for Child Support.

FIRST AUTHOR: Rep. Smith V BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State

 $\begin{array}{c} \textbf{DEDICATED} \\ \underline{\textbf{X}} & \textbf{FEDERAL} \end{array}$

<u>Summary of Legislation:</u> This bill provides that the duty to pay child support ceases when the child becomes 18 years of age.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill may reduce costs to the Family and Social Services Administration (FSSA). FSSA currently collects child support for children up to 21 years of age, and older if payment of educational needs is required, unless emancipated. FSSA distributes this money to the custodial parent and child. FSSA may experience reduced administration costs if this bill reduces the number of child support cases. FSSA also states that a support order often includes multiple children, and that the number of children between the ages of 18 and 21 receiving child support cannot be determined. Thus, the total impact of this bill cannot be determined at this time.

Background:

If a non-custodial parent is behind in support payments, an arrearage accrues. If the family qualifies for Temporary Assistance to Needy Families (TANF), FSSA makes supplemental support payments to the custodial parent and child receiving support. FSSA can intercept tax returns and take other legal actions for a non-custodial parent in arrearage in order to recoup the cost of supplemental payments. FSSA can intercept tax returns for non-TANF cases up to age 21 and indefinitely for TANF cases.

Explanation of State Revenues:

Explanation of Local Expenditures:

HB 1226+ 1

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

<u>Information Sources:</u> Susan Kilty, Legislative Liaison, Division of Family and Children, FSSA, 317-232-4451.

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HB 1226+ 2